

## Message Text

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ACTION OES-04

INFO OCT-01 EUR-12 EA-06 IO-10 ISO-00 FEA-01 AEC-05

CIAE-00 H-01 INR-07 L-02 NSAE-00 OIC-02 OMB-01 PA-01

PM-03 PRS-01 SAJ-01 SAM-01 SP-02 SS-15 USIA-06

TRSE-00 RSC-01 NSC-05 ACDA-05 BIB-01 DODE-00 /094 W

----- 102690

R 090855Z JAN 75

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 7181

INFO AMEMBASSY BONN

USMISSION EC BRUSSELS

AMEMBASSY LONDON

AMEMBASSY PARIS

USLO PEKING

AMEMBASSY SEOUL

USMISSION IAEA VIENNA

USMISSION GENEVA

CINCPAC HONOLULU HI

C O N F I D E N T I A L SECTION 1 OF 2 TOKYO 0296

E.O. 11652: GDS

TAGS: PARM, TECH, JA, IAEA

SUBJ: GOJ-IAEA NEGOTIATIONS OF SAFEGUARDS AGREEMENT

SUMMARY: IN CONVERSATION WITH EMBOFF, YUHIHISA ETO, NEW HEAD OF FONOFF'S SCIENCE DIVISION WHICH RESPONSIBLE FOR IAEA SAFEGUARD NEGOTIATIONS, EXPRESSED VIEW THAT PRINCIPLE OBSTACLE TO CONCLUSION OF IAEA SAFEGUARDS ARRANGEMENT, ON WHICH NPT NOTIFICATION DEPENDENT, IS IAEA INSISTENCE THAT JAPAN'S NATIONAL SAFEGUARD SYSTEM BE STRENGTHENED AS CONDITION PRECEDENT TO ENTERING INTO EURATOM-TYPE SAFEGUARDS AGREEMENT. ETO BELIEVES PERIOD BEFORE IAEA REVIEW CONFERENCE IS "LAST CHANCE" FOR RATIFICATION OF NPT IN JAPAN, AND THAT BREAKTHROUGH IN IAEA NEGOTIATIONS IS REQUIRED IF RATIFICATION IS TO TAKE PLACE.

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ACTION REQUESTED: ADVICE AS TO WHETHER ETO'S UNDERSTAND-

ING OF IAEA POSITION IS CORRECT AND, IF IT IS NOT, AUTHORIZATION TO INFORM FONOFF OF CORRECT UNDERSTANDING. END SUMMARY.

1. IN EXTENDED CONVERSATION WITH SCICOUNS ON NPT RATIFICATION AND IAEA SAFEGUARDS ISSUES, YUHIHISA ETO, NEW DIRECTOR OF FONOFF SCIENCE DIVISION (WHICH IS RESPONSIBLE FOR IAEA NEGOTIATIONS, BUT NOT NPT RATIFICATION PER SE, WHICH HANDLED BY DISARMAMENT DIVISION) PORTRAYED SITUATION IN JAPAN IN TERMS WHICH DIFFERE MARKEDLY FROM ACCOUNTS FROM OTHER GOVT AND INDUSTRY SOURCES. MAJOR DIVERGENCE IS ETO'S CONTENTION, IN SHARP CONTRAST WITH IMKRI'S STATEMENTS THAT IAEA NEGOTIATIONS CAN BE WRAPPED UP IN A MATTER OF DAYS, THAT THERE IS STILL NO BASIC UNDERSTANDING BETWEEN GOJ AND IAEA AS TO SAFEGUARDS TREATMENT OF JAPAN IN THE EVENT JAPAN FAILS TO ESTABLISH EFFECTIVE NATIONAL SYSTEM ON TIMELY BASIS. IN RESPONSE TO SCICOUNS OBSERVATION THAT RESULTS OF NOVEMBER 73 GOJ/IAEA DISCUSSIONS WERE PORTRAYED IN JAPAN AS BREAKTHROUGH ON SAFEGUARDS ISSUE. ETO DISMISSED THIS AS LARGELY "PUBLICITY" FOR DOMESTIC CONSUMPTION, ALTHOUGH CONCEDED THAT SOME PROGRESS WAS MADE THEN. ACCORDING TO ETO, FUNDAMENTAL PROBLEM IS THAT AGENCY IS DEMANDING THAT GOJ ESTABLISH EFFECTIVE NATIONAL SYSTEM AS CONDITION PREDEEDENT TO NEGOTIATION OF EURATOM-LIKE SAFEGUARDS ARRANGEMENT. IN ETO'S VIEW, IAEA SHOULD BE WILLING TO ACCEPT JAPAN'S UNDERSTANDING IN AGREEMENT THAT SUITABLE SYSTEM WILL BE ESTABLISHED. SCICOUNS INQUIRED WHETHER THIS PROBLEM COULD NOT BE HANDLED BY PROVISIONS WHICH WOULD MAKE INTENSITY OF IAEA VERIFICATION ACTIVITIES CONDITIONAL UPON EFFECTIVENESS OF NATIONAL SYSTEM. ETO PROFESSED INTEREST IN THIS CONCEPT (WHICH SEEMS SELF EVIDENT, AND AN INTEGRAL PART OF IAEA EURATOM AGREEMENT ITSELF), BUT MAINTAINS THAT THIS IS DEFINITELY NOT THE APPROACH BEING TAKEN BY IAEA.

2. ANOTHER SIGNIFICANT DIFFERENCE BETWEEN ETO'S ACCOUNT AND THOSE AVAILABLE FROM OTHER SOURCES IS IMPACT OF DEPARTURE AS HEAD OF SCIENCE AND TECHNOLOGY AGENCY OF FORMER MINISTER KENJI MORIYAMA, WHOSE STRONG OPPOSITION

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TO NPT WAS CREDITED WITH BLOCKING PROGRESS TOWARD RESUMPTION AND CONCLUSION OF IAEA-GOJ NEGOTIATIONS. ETO CLAIMS THAT NOT THAT MUCH HAS CHANGED IN STA, AND THAT MORIYAMA WAS IN EFFECT A "SCAPEGOAT" FOR ATTITUDES HELD BY OTHERS IN THE AGENCY. IN RESPONSE TO INQUIRY, HOWEVER, HE ACKNOWLEDGES THAT DISCUSSIONS BETWEEN FONOFF AND STA HAD RESUMED SINCE MORIYAMA'S DEPARTURE, WITH FOUR MEETINGS HAVING BEEN HELD. NEVERTHELESS, HE CLAIMS NO PRO-

GRESS IS BEING MADE TOWARD RESOLUTION OF WHAT HE CONSIDERS THE BIG ISSUE - STRENGTHENING OF JAPAN'S NATIONAL SYSTEM. HE ATTRIBUTES LACK OF PROGRESS BOTH TO POLICY PROBLEMS AND EFFECTS OF BUDGETARY RESTRAINTS.

3. ETO ALSO ACKNOWLEDGED THAT THERE HAD BEEN A TURNAROUND IN ATTITUDE OF JAPANESE INDUSTRY TO ONE OF SUPPORT FOR TREATY, SPECIFICALLY IDENTIFYING TOSHIO DOKO, (WHO AS CHAIRMAN OF KEIDNAREN IS SENIOR INDUSTRY SPOKESMAN) AS PROPONENT OF RATIFICATION. ETO CONTENTS, HOWEVER, THAT THIS SUPPORT HAS NOT HAD HOPED FOR EFFECTS OF PERSUADING RIGHT-WING OPPONENTS OF NPT IN LDP TO WITHDRAW THEIR OBJECTIONS TO RATIFICATION. HE CREDITED INDUSTRY TURNAROUND LARGELY TO EFFORTS OF IMAI. WHILE OBSERVING THAT REAL OBJECTION OF RIGHT-WING OPPONENTS OF TREATY WAS TO RELINQUISHING JAPAN'S NUCLEAR OPTION, ETO INDICATED THAT THEY ARE CONTINUING TO CLOAK THEIR OPPOSITION IN TERMS OF CONCERN FOR EFFECT OF SAFE-GUARDS ON NUCLEAR INDUSTRY, DESPITE INDUSTRY'S OWN CONCLUSION THAT SAFE-GUARDS ARE ACCEPTABLE.

4. COMMENTING ON ORGANIZATIONAL ARRANGEMENTS IN FONOFF RELATING TO IAEA NEGOTIATIONS, ETO STATED THAT SHINICHI SUGIHARA, WHO HEADED JAPANESE PARTICIPATION IN NOVEMBER 73 DISCUSSIONS, AND WHO HEADS THE SPECIAL OFFICE FOR THE LAW OF SEA CONFERENCE IN FONOFF, WILL BE REASSIGNED ABROAD SHORTLY. ACCORDING TO ETO, SUGIHARA'S ROLE IN IAEA NEGOTIATIONS HAS BEEN ONE OF ASSISTING FONOFF SCIENCE DIVISION BECAUSE OF HIS BACKGROUND AND EXPERIENCE IN ISSUE. SUGIHARA WILL PROBABLY BE REPLACED AS HEAD OF LOS CONFERENCE OFFICE BY AMBASSADOR OGISO, WHO IS ALREADY SERVING AS HEAD OF GOJ DEL TO LOS CONFERENCE. HOWEVER, OGISO, WHO ALSO HAS EXTENSIVE EXPERIENCE IN IAEA SAFE-CONFIDENTIAL

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GUARD METTERS WILL NOT BE INVOLVED IN FUTURE, ACCORDING TO ETO. (FYI, OGISO RECENTLY HINTED TO SCICOUNS THAT ON CONCLUSION OF HIS LOS CONFERENCE RESPONSIBILITIES, HE WOULD BE INTERESTED IN ASSIGNMENT AS AMBASSADOR TO AUSTRIA AND IAEA, WHICH IS DUE FOR ROTATION SOON).

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ACTION OES-04

INFO OCT-01 EUR-12 EA-06 IO-10 ISO-00 FEA-01 AEC-05

CIAE-00 H-01 INR-07 L-02 NSAE-00 OIC-02 OMB-01 PA-01

PM-03 PRS-01 SAJ-01 SAM-01 SP-02 SS-15 USIA-06

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R 090855Z JAN 75

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 7182

INFO AMEMBASSY BONN

USMISSION EC BRUSSELS

AMEMBASSY LONDON

AMEMBASSY PARIS

USLO PEKING

AMEMBASSY SEOUL

USMISSION IAEA VIENNA

USMISSION GENEVA

CINCPAC HONOLULU HI

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5. DESPITE THIS GENERALLY GLOOMY ASSESSMENT, ETO SAID HE IS STILL HOPEFUL THAT ANOTHER ROUND OF IAEA NEGOTIATIONS, WHICH HE DESCRIBED AS FIFTH PROVISIONAL TALKS, COULD TAKE PLACE BEFORE IAEA FEBRUARY BOARD MEETINGS. HE CONFIRMED THAT ONE OF HOLD-UPS IS UNAVAILABILITY OF IMAI, WHO IS NOW ON U.S. VISIT. (EMBASSY LATER LEARNED THAT DATE UNDER CONSIDERATION IS JANUARY 25).

6. DEPICTING HIMSELF, AS DO VIRTUALLY ALL GOJ OFFICIALS WHO DISCUSS ISSUE, AS STRONG ADVOCATE OF NPT (WHICH POSES INTERESTING QUESTION OF WHO AND WHERE ALL THE OPPONENTS ARE), ETO PUT FORWARD AS HIS "PERSONAL" VIEW THAT BETWEEN NOW AND MAY 1975 NPT REVIEW CONFERENCE IS PROBABLY "LAST CHANCE" FOR GOJ RATIFICATION OF TREATY. HE, THEREFORE, MADE PITCH FOR A CONCESSION BY IAEA WHICH  
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WOULD AMKE POSSIBLE REAL BREAK-THROUGH ON VERIFICATION ISSUE AT NEXT ROUND OF TALKS. HE RATES PRESENT FOREIGN MINISTER MIYAZAWA AS ALMOST AS AFFIRMATIVE ON NPT AS WAS KIMURA, AND REGARDS PRESENT STA MINISTER SASAKI AS

KNOWLEDGEABLE AND RELATIVELY OPEN-MINDED ON ISSUE, ALTHOUGH HARDLY AFFIRMATIVE. THUS, HE BELIEVES SUCCESS IN VIENNA NEGOTIATIONS MIGHT GIVE NEEDED IMPETUS TO SECURE TREATY RATIFICATION BEFORE REVIEW CONFERENCE. ON THIS POINT, HE MENTIONED THAT HE UNDERSTANDS U.S. IS WILLING TO ALLOW JAPANESE OBSERVER STATUS AT CONFERENCE EVEN THOUGH IT HAS NOT RATIFIED. (COMMENT: WE THOUGH USG OPPOSED OBSERVER STATUS. PLEASE CLARIFY).

7. EMBASSY COMMENT. ETO IS RELATIVELY NEW IN POSITION OF SCIENCE DIVISION DIRECTOR, AND EMBASSY HAS LITTLE BASIS SO FAR FOR EVALUATING WHETHER HIS UNUSUAL VIEW OF SITUATION IS VALID OR NOT. EVEN PRIOR TO THIS CONVERSATION, HOWEVER, EMBASSY HAD OBSERVED (SEE TOKYO 16295, DEC 13, 74) THAT, IN HIGH LEVEL STATEMENTS ON NPT RATIFICATION BY MIKI GOVT, RESERVATIONS CONCERNING IAEA SAFEGUARD ARRANGEMENTS HAD RE-EMERGED AS PRINCIPAL PUBLIC OBSTACLE TO EARLY RATIFICATION, DESPITE FACT THAT ISSUE HAD BEEN CHARACTERIZED AS ESSENTIALLY SOLVED AFTER NOV 73 NEGOTIATIONS. THUS, ETO'S VIEW OF MATTER MAY ACCURATELY REFLECT HIGH LEVEL CONCERNS, DESPITE FAR MORE REASSURING VIEWS EXPRESSED BY IMAI. EMBASSY WOULD APPRECIATE CLARIFICATION AS TO WHETHER IAEA HAS IN FACT TAKEN POSITION, ATTRIBUTED TO IT BY ETO, THAT AGENCY WILL INSIST ON ESTABLISHMENT OF EFFECTIVE NATIONAL SAFEGUARDS SYSTEM BEFORE ENTERING INTO EURATOM-TYPE ARRANGEMENT, EVEN ON CONDITIONAL BASIS. IF THIS IS SO, PROBLEM IS INDEED SERIOUS, SINCE WE SEE LITTLE PROSPECT OF EARLY MAJOR STRENGTHENING OF JAPAN'S NATIONAL SYSTEM  
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**Disposition Case Number:** n/a  
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**TAGS:** PARM, TECH, JA, IAEA  
**To:** STATE  
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